



## UTAH ASSOCIATION OF COUNTIES

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### UAC INSURANCE MUTUAL MINUTES, MONTHLY MEMBERSHIP BOARD OF DIRECTORS MEETING

March 19, 1992, 10:00 a.m.

RBH Conference Room

**MEMBERS PRESENT:** Ken Brown Rich County Commissioner  
Leonard Blackham Sanpete County Commissioner  
Dennis Ewing Tooele County Clerk  
Tom Hatch Garfield County Commissioner  
Gary Herbert Utah County Commissioner  
Jerry Hess Davis County Deputy Attorney  
Scott Hirschi Washington County Commissioner  
Dixie Thompson Emery County Commissioner

**OTHERS PRESENT:** Doug Alexander Rollins Technical Services  
Harry Bowes UAC Consultant  
Brent Gardner UAC Executive Director  
Jess Hurtado Rollins Burdick Hunter

#### CALL TO ORDER

The meeting was called to order at 10:05 a.m. by Hatch. The format of the minutes, taken from the previous meeting held on February 20, 1992, were revised by Bowes. A copy of Bowes revised minutes were distributed to the Board but were not approved until the Board had a chance to review them.

#### MANAGEMENT CONFERENCE

The date and time set for the UACIM Meeting, in conjunction with the Management Conference, is Wednesday, April 8th at the Excelsior Hotel in Provo at 3:00 to 6:00 p.m. The first hour will be the General Membership Meeting. It is the first of two meetings held per year in conjunction with the spring/fall meetings. The next two hours will be the UACIM Board Meeting. The Board Meeting for May is scheduled for Thursday, May 21st at the Utah County Administration Building Conference Room at 4:00 p.m.





## REVIEW OF FINANCIAL SERVICES AGREEMENT

The Financial Services Agreement was approved at the last Board Meeting. Gardner reported that the Insurance Department has required the Mutual to provide monthly financial reports to the them. So, the Financial Reports will be filed with Commissioner Yancey as well. A checking account was opened with the premiums from the counties in order to pay some of the expenses. Gardner's intent is to talk to the State and/or Salt Lake County to deposit the monies in one of these locations so the account can start to earn interest. The last report with the State, the interest was at 4.7%. RTS Chicago Accountant, Al Stein's recommendation was that the Mutual transfer all but \$10,000 into the interest bearing account and move the monies as the expenses arise. Gardner will move the monies into an interest bearing account on Monday. Board Members continued to review the Financial Report and having several questions a motion was made. **Blackham moved that Al Stein attend the next Board Meeting to review the Financial Report with the Board. Ewing seconded. The motion passed 8-0-0.**

## REPORT FROM CLAIMS ADMINISTRATOR

Alexander reported that he has visited all but one of the member counties, including Kane County. The county he has not visited is Duchesne County. He will be visiting there before the next Board Meeting. Gardner raised the question on how the meeting went with Kane County. Hatch and Gardner had spoken with Commissioner Glen Martin and Martin indicated his concern regarding some problems that the county was experiencing. Herbert raised the concern of what the procedure would be if one of the counties were having problems that was affecting the Mutual as a whole. Gardner said you would initially sit down with the county and outline where their problems are and the changes that the Mutual insists on being made in their operating policies and procedures. Bowes indicated in his experience in Colorado, peer pressure from the other counties was the only thing that would influence a change.

Alexander continued with the overall needs of the counties, pertaining to Loss Control, being: A) Defensive Driving B) Public Safety-Roads and C) Civil Rights. He stressed the importance of the counties reviewing their personnel manual and working out a system in the way they need to deal with personnel related problems. Board Members reviewed the claims from the February Loss Experience Reports. A designated person for each county receives the Loss Experience Reports but Bowes implied the importance of having the Commissioner Chairman of each county also receive the report and a copy of the coding. Gardner will send a memo to the Chairman indicating that these Loss Experience Reports will be coming to them and the contact person. Hirschi requested that a memo also be sent to those counties who have not had a claim so they will be able to keep track of their activity whether there is a claim or not that month. Blackham questioned, what is claims



made and claims occurred? Hurtado answered that claims made are on public officials and errors and omissions, everything else is claims occurred. Bowes added that every potential claim should definitely be reported to the claims manager with Hirschi also adding that if we do not have every potential claim on the report then the counties will not be aware of problem areas if any. Hess said that the Litigation Management Committee can help if aware of some of these claims.

Alexander continued with the claim of Uintah County, giving an update on the claimant, McDonald. Questions arose regarding the joint venture of Uintah County and Vernal City in the ownership of the fire truck and who is liable to pay. Do informal agreements hold up? Bowes is willing to draft a criteria that the counties could use in making judgements for what their county would be liable for as far as these agreements are concerned. He feels it is not a good idea for the counties and the cities to have joint liability. Hess indicated in Uintah's case it is really a participation factor, who pays what of the total amount. **Brown moved that Bowes work up a criteria, working with Gardner and the Litigation Management Committee, for the board to review. Thompson seconded. The motion passed 8-0-0.**

Alexander continued with Uintah County regarding the concurrent coverage with the Utah Trust. Harry Souvall, Uintah County Attorney, will be writing The Trust requesting a written statement on what their position on coverage is. Alexander believes that Uintah County did pay their premium to The Trust and Hurtado stated that if The Trust accepted the premium, the county is bound. Hurtado's understanding of The Trust's bylaws is that they give no refunds and that all premiums are fully earned upon payment. Alexander will get a statement from Dale Cameron, Uintah County Purchasing Agent, as to whether the premium was paid or not and report to the Board next meeting. County's exposure may be reduced by 25% more, of the total loss, if concurrent coverage exists. Claimant, McDonald, is working with Frontier Adjustors for Vernal City and has indicated he would like to settle the case rather than involve lawyers. His wife is not in agreement, feeling he is trying to settle the claim too early. The concern of Alexander and Frontier Adjustors is whether McDonald is mentally competent, due to a closed head injury, to settle this claim. Hess recommended we should find out what McDonald is willing to settle for and what The Trust's obligation is. Alexander said that Vernal City's adjustor made the recommendation to Souvall that she derive from the Mutual what we are willing to contribute. She would handle the negotiations and we would resolve the concurrent issue at a later date. Blackham indicated the claimant can't be paid until the percentage of what the Mutual will pay is settled. **Blackham moved to authorize Alexander to pursue the settlement of the claim in Uintah County, recommending that the settlement be negotiated up to 25% of the statutory limit. Thompson seconded. The motion passed 8-0-0.**



## REPORT FROM BROKER

Hurtado reported that the Property Policy is in but the Excess Liability Policy had to be counter signed and should be on his desk by next Friday. Certified copies will be made for each county along with the Certificate of Participation. Hurtado has made trips to several counties to discuss different issues and it appears that these issues have been positively resolved. The main issue still being the procedure to cancel their prior insurance.

## INTERVIEW PROCESS FOR LOSS CONTROL CANDIDATES

Copies of the resumes received by Gardner were mailed to Bowes, Hatch and Hirschi but additional resumes, that seemed to be the best candidates, were received after the mailing. Gardner's intent was to have the candidates narrowed down to three or four for the Board to interview at this meeting. But because of the time it took to get some of the national advertisements out, some of the best candidates were calling in just a few days before the meeting. Gardner did not want to eliminate some of these good candidates so it was decided not to bring in any to interview at this meeting. Hirschi stated that the Loss Control position does need to be filled so three candidates will need to be available by the next Board Meeting for interview by the Board.

## REVIEW STATUS OF CLAIMS AND BROKERAGE CONTRACTS

Hurtado sent the revisions that Bowes had made in the contracts to Paul Bergman who is the corporate attorney. The wording is in the process of being resolved and Hurtado is hoping to have completed by April. The TPA contract will be in a clean draft relatively soon, there were no major changes to that contract. Provisions of the contract would be put into play because it has verbally been in the works. The Mutual has been working as if the contracts were there. Gardner will have the Administration Agreement ready to sign at the April Board Meeting. Gardner will mail copies to the Board to review for the next meeting.

## REVIEW UACIM ADMINISTRATION BUDGET

Gardner passed out list of the Administrative Budget and read through it with the Board. Question arose whether the Mutual has joined Prima? Bowes reported that Colorado did not join Prima, that it was less expensive to pay for the non-member registration fee. Gardner suggested that there were enough county pools now that the Mutual might want to create their own organization. Continuing with the budget, the Administrative Budget Total was carried over to the Budget Report under line item, Consulting & Administration. Hatch questioned the costs of reimbursing the counties that funded some of the money to get the Mutual started.





Gardner suggested we include these costs on the expenses to get these counties paid back. Gardner will be in personal contact with Beaver, Grand, Kane, Sevier and Utah Counties for the start-up fees that have not been paid. These monies can also be a source to reimburse those counties that helped to fund. **Hirschi moved to adopt the Administrative Budget. Ewing seconded. The motion passed 8-0-0.**

Hirschi requested that a binder containing Agreements, Bylaws, Claims Information, List of Board Members, Policies, etc. be put together for each county so they will have this supporting data all together. This is one of the criticisms they had with The Trust, that they did not furnished the counties with this information.

#### LITIGATION MANAGEMENT COMMITTEE REPORT

Hess reported that in their discussion the committee felt it appropriate to include Ron Elton, Tooele County Attorney, as a member of the committee. **Hess moved that Ron Elton be included in the Litigation Management Committee. Hirschi seconded. The motion passed 8-0-0.** Also, Hess requested any information that may be available with instructions on how the committee should function/work or what their role would be. The committee does not want to appear to be running the Pool but only acting as an advisory for the counties. Bowes indicated he can get videos and attorney's for Pitkin and Garfield counties, who were very active on the Colorado Counties Litigation Committee. They may be able to attend one of the meetings to explain how they functioned and the activities they were involved in. Hess continued that there was a willingness to cooperate but some direction is needed. The next meeting is scheduled for May 19th at 10:00 in Logan. Defense Attorney Questionnaires have been sent to several firms/attorneys throughout the state, reported Alexander.

Hirschi brought up the matter of the Sheriff's Loss Control Committee. Gardner reported that a list of the participating counties was given to Dave Bateman, Utah County Sheriff - Chairman of the Sheriff's Organization, asking him to list seven sheriffs that could serve on that committee. Bateman was hoping that this list would be discussed at their next meeting at the end of March. Gardner should be able to report on the committee at the Board Meeting in April.



ULGT SETTLEMENTS-ULGT EXIT FEE LETTER

Hatch reported that Gardner, Hirschi and himself were going to meet with Billy Lovelady of the Insurance Department regarding the exit fee to ULGT. Gardner had spoken to Lovelady on the phone explaining what the Mutual's intent was and that they would like to meet with him Thursday morning. Gardner was sending a letter requesting a meeting but Lovelady said that he was reluctant, there was alot going on and he would like to meet with Commissioner Yancey first and would not be ready by Thursday to meet with them. Gardner hand delivered the letter to the Insurance Commissioner's office and Gardner will follow-up and report back in April.

OTHER MATTERS

Brown moved that Bowes reformatted minutes be tabled until the Board has a chance to review them. Thompson seconded. The motion was so moved by Hatch.

Blackham moved that the meeting be adjourned. Thompson seconded. The meeting adjourned at 12:55 p.m.

Respectfully submitted,

Sonya White, Office Administrator  
Rollins Technical Services

